

1998 FARM INCOME HIGHLIGHTS

CASH RECEIPTS

Cash receipts from farm product sales in Kentucky totaled \$3.92 billion during 1998, up 12 percent from 1997. Crop sales climbed 14 percent from 1997, generating \$1.79 billion in cash receipts, or 46 percent of the total. Sales of livestock and livestock products climbed 8 percent to \$2.13 billion, or 54 percent of total receipts.

All major crops except tobacco and hay showed decreases in cash receipts from 1997. Tobacco receipts jumped 44 percent to \$1.05 billion in 1998. This increase includes an unusually high percentage of the 1997 tobacco crop that was not sold until 1998 because of difficult curing conditions. Sales from tobacco accounted for 27 percent of total receipts making it the number one cash commodity for Kentucky. Corn was the number two crop with \$248 million in receipts, down 14 percent from 1997. Soybeans ranked third with \$239 million in cash receipts, 22 percent below 1997. Hay and wheat were fourth and fifth in crop cash receipts. Sales of hay

produced \$90.3 million in cash receipts, 17 percent above the 1997 level. Continued low wheat prices reduced value of sales 14 percent from 1997 to \$65.3 million during 1998.

Higher cash receipts for horses, poultry, and dairy products more than offset lower receipts for hogs, cattle, and sheep. The sale of horses and receipts from stud fees during 1998 totaled \$790 million, making equine the largest source of livestock receipts, and the number two cash commodity overall. Sales of cattle and calves generated \$605 million, down 6 percent from 1997, and second in total livestock receipts. Broilers were the third largest source of livestock cash receipts with \$333 million in sales. Dairy products, and hogs round out the top five livestock items. Broiler production climbed 56 percent during 1998 driving an 80 percent increase in sales. Dairy product receipts totaled \$259 million, up 7 percent from 1997. Low prices reduced hog cash receipts to \$89.3 million, 37 percent below the 1997 level.

PRICES RECEIVED BY KENTUCKY FARMERS

Prices received for the 1998 crops were well below 1997 levels for all major crops except tobacco and hay. Milk prices were above 1997 levels, cattle prices were unchanged or up slightly, but hog prices fell to the lowest level since 1972.

The preliminary marketing year average corn price received during 1998 was \$2.10 per bushel, 20 percent below 1997 and the lowest prices since 1987. Soybeans averaged \$5.60 per bushel, 17 percent below 1997, and the lowest season average prices since 1985. The marketing year for corn and soybeans runs from September through August. Wheat prices averaged \$2.20 per bushel, compared with \$3.24 during 1997, and the lowest prices since 1977. The marketing year for wheat is from July through June.

The 1998 marketing season average price for burley tobacco was set at \$1.903 per pound, up 1.7 cents per pound from 1997. Dark tobacco prices averaged \$1.955 per pound, down 6.2 cents from the 1997 record high levels.

The All Hay price for 1998 averaged \$81.50 per ton, up 6 percent from the 1997 average. Other hay averaged \$70 per ton, up 6 percent from 1997 while alfalfa averaged \$106 per ton, 7 percent above 1997.

Cattle and calf prices were mixed during 1998. Steers & heifers weighing more than 500 pounds averaged \$66.60 per hundred pounds, down slightly from the \$66.90 recorded in 1997. Beef cows averaged \$34.80 per hundred pounds, unchanged from 1997, but calves less than 500 pounds averaged \$74.90, up 4 percent from the 1997 average of \$72.20.

Hog prices sank to the lowest levels since 1972 during the December 1997 to November 1998 period. Barrows and gilts averaged \$35.70 per hundred pounds, down from \$53.00 during 1997. Sows averaged \$24.70 per hundred pounds compared with \$43.30 during 1997. Hogs averaged \$35.20 per hundred pounds compared with \$52.60 during 1997.

The All Milk price at \$15.50 per hundred pounds, climbed 13 percent from the 1997 average of \$13.70. Fluid grade milk averaged \$15.50 per hundred pounds, up 12 percent from the \$13.80 received during 1997. Manufacturing grade milk brought \$13.20 per hundred pounds during 1998, compared with \$11.20 per hundred pounds in 1997. Milk cows averaged \$1030 per head, unchanged from the 1997 average.

Broilers averaged 39.5 cents per pound during 1998, compared with 37.0 cents per pound for 1997. Egg prices at 72.5 cents per dozen, were 3 percent below the 1997 average of 74.4 cents.